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AZ CORP COMMISSION
DOCKET CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

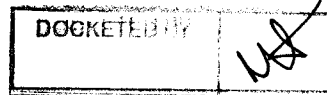
COMMISSIONERS

DOUG LITTLE, CHAIRMAN
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN

Arizona Corporation Commission

DOCKETED

APR 22 2016



IN THE MATTER OF THE APPLICATION
OF TRUXTON CANYON WATER
COMPANY, INC. FOR AUTHORITY TO
INCUR LONG-TERM DEBT.

DOCKET NO. W-02168A-15-0369

**APPLICATION FOR
SURCHARGE**

Pursuant to Decision No. 754653, Truxton Canyon Water Company, Inc.,
("Company" or "Truxton") hereby files its Application for surcharge to pay the debt
obligations associated with the Water Infrastructure Finance Authority loan, which closed
on April 15, 2016.

With assistance from Staff, the Company calculated the surcharge as directed by
the Commission. See Attachment 1. Truxton's current customer meter breakdown is as
follows:

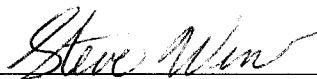
Meter	Customers
3/4"	949
1"	4
2"	4
4"	1
6"	1

VVPOA has one 3/4" meter, two 2" meters, one 4" meter, and one 6" meter. These meters are counted in the table above.

Accordingly, Truxton moves the Commission to approve the surcharge calculated in Attachment 1.

RESPECTFULLY SUBMITTED this 22nd day of April, 2016.

MOYES SELLERS & HENDRICKS


Steve Wene

Original and thirteen (13) copies of the foregoing filed this 22nd day of April, 2016 with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007



ATTACHMENT 1

Line No.	WIFA LOAN SURCHARGE CALCULATION			
1	Loan Amount:	\$350,950		
2	Term:	20		
3	WIFA Interest & Fee rate :	4.675%		
4				
7	Step 1 - Find the Annual Payment on Loan			
8	\$27,463.20	Annual Principle and Interest Payment - From Loan Amortization Schedule Column 8		
9				
10	Step 2 - Find the Annual Interest Payment on Loan			
11	\$16,166.91	Annual Interest Payment on Debt - From Loan Amortization Schedule Column 6		
12				
13	Step 3 - Find the Annual Principal Payment on Loan			
14	\$11,296.18	Annual Principal and Interest Payment - From Loan Amortization Schedule Columnn 7		
15				
16	Step 4 - Find the Gross Revenue Conversion Factor			
17	1.649996016	From Rate Case		
18				
19	Step 5 - Find the Incremental Income Tax Factor			
20	1.65000	minus 1 = 0.65000		
21				
22	Step 6 - Find the Annual Income Tax Component of Surcharge Revenue			
23	0.65000	Incremental Income Tax Factor - From Step 5		
24	\$11,296.18	Multiplied by: Annual Principal Payment on Loan - From Step 3		
25	\$7,342.47	Annual Income Tax Component of the Annual Surcharge Revenue		
26				
27	Step 7 - Find the Debt Reserve Component of the Annual Surcharge Revenue			
28	\$27,463.20	Annual Principal and Interest Payment - From Step 1		
29	20%	Multiplied by: One-fifth of Annual Principal and Interest Payment		
30	\$5,492.64	Debt Reserve Component of the Annual Surcharge Revenue for first five years		
31				
37	Step 8 - Find the Annual Surcharge Revenue Requirement Needed for the Loan			
38	\$7,342.47	Annual Income Tax Component of the Annual Surcharge Revenue (from Step 6)		
39	\$27,463.20	Plus: Annual Principal and Interest (from Step 1)		
40	\$5,492.64	Plus: Annual Reserve Fund Deposit (from Step 7)		
41	\$40,298.31	Total Annual Surcharge Revenue Requirement for the Loan		
42				
43	Step 9 - Find the Equivalent Bills For All CUSTOMERS EXCEPT VALLEY VISTA 4-INCH & 6-INCH METERED CUSTOMERS			
44				
45	All Customers Except Valley Vista 4-Inch and 6-Inch Metered Customers			
46	Col A	Col B	Col C	Col D
47				Col E
48		NARUC	Number of	Number of
49	Meter Size	Multiplier	Customers	Months in
50	5/8"x 3/4" Meter	1	0	12
51	3/4" Meter	1.5	949	12
52	1" Meter	2.5	4	12
53	1 1/2" Meter	5	0	12
54	2" Meter	8	4	12
55	3" Meter	15	0	12
56	4" Meter	0	0	0
57	6" Meter	0	0	0
58			957	17,586
59				
60	Step 10 - Find the Monthly Surcharge for the 5/8" x 3/4" Meter Size Customers			
61	\$25,428.23	Total Annual Surcharge Revenue Requirement (\$40,298.31 x 63.1% Consistent with Decision No. 74835, page 51, lines 10-14)		
62	17,586	Divided by: Total Number of Equivalent Bills		
63	\$	1.45	Monthly Surcharge for 5/8 x 3/4" Customers	
64				
65	Step 11 - Find the Monthly Surcharge for the Remaining Meter Size Customers			
66	Surcharge for all Customers EXCEPT VALLEY VISTA 4-Inch and 6-Inch Metered Customers			
67	Col A	Col B	Col C	Col D
68			5/8" x 3/4"	Surcharge by
69		NARUC	Customers'	Meter Size
70	Meter Size	Multiplier	Surcharge	Col B x C
71	5/8"x 3/4" Meter	1	\$ 1.45	\$ 1.45
72	3/4" Meter	1.5	\$ 1.45	\$ 2.17
73	1" Meter	2.5	\$ 1.45	\$ 3.61
74	1 1/2" Meter	5	\$ 1.45	\$ 7.23
75	2" Meter	8	\$ 1.45	\$ 11.57
76	3" Meter	15	\$ 1.45	\$ 21.69
77	4" Meter	-	\$ -	-
78	6" Meter	-	\$ -	-

Line No.	WIFA LOAN SURCHARGE CALCULATION
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Step 12 - Find the Equivalent Bills For VALLEY VISTA'S 4-INCH & 6-INCH METERED CUSTOMERS
Equivalent Bills For Valley Vista 4" & 6" Metered Customers

Col A	Col B	Col C	Col D	Col E
Meter Size	NARUC Multiplier	Number of Customers	Number of Months in Year	Equivalent Bills Col B x C X D
5/8"x 3/4" Meter	-	0	0	-
3/4" Meter	-	0	0	-
1" Meter	-	0	0	-
1 1/2" Meter	-	0	0	-
2" Meter	-	0	0	-
3" Meter	-	0	0	-
4" Meter	25	1	12	300
6" Meter	50	1	12	600
		<u>2</u>		<u>900</u>

Step 13 - Find the Monthly Surcharge for the 5/8" x 3/4" Meter Size Customers

\$14,870.08 Total Annual Surcharge Revenue Requirement (\$40,298.31 x 36.9% Consistent with Decision No. 74835, page 51, lines 10-14)
900 Divided by: Total Number of Equivalent Bills
\$ 16.52 Monthly Surcharge for 5/8 x 3/4" Customers

Surcharge For Valley Vista 4" & 6" Customers

Col A	Col B	Col C	Col D
Meter Size	NARUC Multiplier	5/8" x 3/4" Customers' Surcharge	Surcharge by Meter Size Col B x C
5/8"x 3/4" Meter	1	\$ -	\$ -
3/4" Meter	1.5	\$ -	\$ -
1" Meter	2.5	\$ -	\$ -
1 1/2" Meter	5	\$ -	\$ -
2" Meter	8	\$ -	\$ -
3" Meter	15	\$ -	\$ -
4" Meter	25	\$ 16.52	\$ 413.06
6" Meter	50	\$ 16.52	\$ 826.12